LNF & IHCIF Calculations Illustration
- Red Cliff in Bemidji area -

Given Data

- 1,477 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 37% = % Expenditures on purchased services, 63% = % expenditures in-house
- 98.1% = Cost index for purchasing health care in this geographic area
- 130.2% = Size cost index for in-house costs due to small or large size
- 105.9% = Bemidji area cost index for health status above or below average

Cost Adjustment Calculations

- $1,078 per person for purchased services = 37% * 98.1% * $2,980
- $2,450 per person for in-house services = 63% * 130.2% * $2,980
- $3,528 per person total = $1,078 (purchase) + $2,450 (in-house)
- **$3,736 per person total** adjusted for health status = $3,528 * 105.9%
- **$2,991 per person net cost** = $3,736 - $745 Other resources (M&M&PI)

Existing Expenditures (for 1,477 users excluding wrap-around and collections)

- $1,144 per person = local IHS allowance (excludes $ for wrap-around)
- $94 per person = expenditures elsewhere in Bemidji area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$1,292 per person for OU users** = $1,144 + $94 + $54

LNF Calculation

- **34.6% Gross LNF** = $1,292 (expenditures) / $3,736 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **43.2% Net LNF** = $1,292 / $2,991 net cost ($3,736 - $745 other)

IHCIF Allocation

- $742,852 = $ to raise LNF% from 43.2% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$25,911 Allocation** = $742,852 needed for 60% * 3.488% IHCIF fraction

Red Cliff Unmet Needs

- **$4,418,225 Net Total Need** = 1,477 users * $2,991 net cost
- **$2,510,142 Net Unmet Need** = (100% - 43.2% LNF) * 1,477 users * $2,991 net cost